



General Assembly

January Session, 2001

Raised Bill No. 6986

LCO No. 4732

Referred to Committee on Environment

Introduced by:
(ENV)

***AN ACT CONCERNING CLEAN AIR STANDARDS FOR CERTAIN
POWER PLANTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) As used in sections 1 to 14 , inclusive , of this act:
- 2 (1) "Electricity generation facility" means any individual fuel
3 burning unit in this state, used to generate electricity, that: (1) Was
4 built prior to 1977, (2) has the installed capacity to generate greater
5 than twenty-five megawatts, and (3) generates electricity for wholesale
6 or retail sale through the combustion of fossil fuels.
- 7 (2) "Power generation company" means an electricity generation
8 facility owner.
- 9 (3) "Projected non-complying electric generation facility" means an
10 electric generation facility that cannot meet the sulfur dioxide emission
11 standard by December 31, 2004.
- 12 Sec. 2. (NEW) (a) On and after January 1, 2004, any electricity
13 generation facility in this state shall comply with the following
14 limitations regarding the rate of emission of the following substances:

15 (1) For nitrogen oxides, not more than fifteen one-hundredths pounds
16 per million British thermal units of heat input, and (2) for sulfur
17 dioxides, not more than thirty one-hundredths pounds per million
18 British thermal units of heat input. Such limitations shall be met year-
19 round by such facility and on site at each facility through (A) capacity
20 restrictions, (B) capital improvements, (C) retirement, (D) fuel
21 switching, or (E) operational changes. Notwithstanding any other
22 section of the general statutes, such facility shall not meet these
23 emissions limitations through the use of nitrogen oxide discrete
24 emission reduction credits as defined in the Regulations of Connecticut
25 State Agencies section 22a-174-19a, or nitrogen oxide allowances as
26 described in the Regulations of Connecticut State Agencies section 22a-
27 174-19a, or by using sulfur dioxide discrete emission reduction credits
28 as defined in the Regulations of Connecticut State Agencies section
29 22a-174-19a, or sulfur dioxide allowances, as defined in the
30 Regulations of Connecticut State Agencies section 22a-174-19a.

31 (b) The Commissioner of Environmental Protection shall monitor
32 such facilities and shall enforce the provisions of this section. Each
33 calendar quarter, such facility shall submit to the commissioner stack
34 test data regarding the emissions limitations provided in subsection (a)
35 of this section.

36 Sec. 3 (NEW) On or before December 31, 2002 power generation
37 companies shall notify the Department of Environmental Protection,
38 the Department of Public Utility Control and the Chief Elected Official
39 of the community in which any projected non-complying electric
40 generation facility is located, of any plants that will not be able to fully
41 comply with on-site emissions limitations in section 2 of this act by
42 January 1, 2004, and the reasons for not being able to fully comply.
43 Such notification to the Department of Environmental Protection shall
44 include an application to the Commissioner Of Environmental
45 Protection for an extension until December 31, 2004 to fully comply
46 with the emissions limitations of this act. Such application shall be on
47 a form prescribed by the commissioner, and shall include a finding

48 from the Department of Public Utility Control that on-site compliance
49 with the emissions limitations in this act is very likely to jeopardize
50 electric supply in the state. Within one month of receiving such
51 application, the Commissioner of Environmental Protection shall hold
52 a public hearing in the town in which such non-complying electric
53 generation facility is located. Power generation companies that are
54 granted an extension until December 31, 2004 to fully comply with the
55 emissions limitations of this act shall notify the Department of
56 Environmental Protection, the Department of Public Utility Control
57 and the Chief Elected Official of the community in which any projected
58 non-complying electric generation facility is located, of any plants that
59 will not be able to fully comply with on-site emissions limitations in
60 section 2 of this act by December 31, 2004 and the reasons therefore.
61 Power generation companies may not apply for more than one one-
62 year extension.

63 Sec 4. (NEW) On and after January 1, 2004, power generation
64 companies that do not meet the emissions limitations in section 2 of
65 this act shall state the following in the "generation services" line on
66 each customer energy bill: THIS POWER SUPPLIER DOES NOT MEET
67 ALL CONNECTICUT CLEAN AIR STANDARDS"

68 Sec. 5. (NEW) On and after January 1, 2004, power generation
69 companies that do not meet the emissions limitations in section 2 of
70 this act shall be subject to an emissions tonnage cap. Said cap shall be
71 calculated based upon the five-year average megawatt generation of
72 the previous five representative years, except that if the electric
73 generation in any one year exceeded the electric generation of the
74 preceding and subsequent three years by more than fifteen per cent,
75 that generation year shall be deemed to be non-representative of the
76 usual generation capacity of that power generation facility for the
77 purposes of establishing a generation average on which to calculate the
78 emissions tonnage cap in accordance with this section of this act.

79 Sec. 6. (NEW) In furtherance of the economic development of the

80 state, the Department of Economic and Community Development may
81 provide financial assistance pursuant to sections 32-220 to 32-235,
82 inclusive, of the general statutes to a Title IV source that is an affected
83 unit for the installation of pollution control equipment, fuel switching,
84 and the purchase of liquid or gaseous fuels that possess a fuel sulfur
85 limit of equal to or less than 0.3 per cent sulfur, by weight (dry basis).

86 Sec. 7. Subsection (b) of section 12-587 of the general statutes is
87 repealed and the following is substituted in lieu thereof:(b) (1) Except
88 as otherwise provided in subdivision (2) of this subsection, any
89 company which is engaged in the refining or distribution, or both, of
90 petroleum products and which distributes such products in this state
91 shall pay a quarterly tax on its gross earnings derived from the first
92 sale of petroleum products within this state. Each company shall on or
93 before the last day of the month next succeeding each quarterly period
94 render to the commissioner a return on forms prescribed or furnished
95 by the commissioner and signed by the person performing the duties
96 of treasurer or an authorized agent or officer, including the amount of
97 gross earnings derived from the first sale of petroleum products within
98 this state for the quarterly period and such other facts as the
99 commissioner may require for the purpose of making any computation
100 required by this chapter. Except as otherwise provided in subdivision
101 (3) of this subsection, the rate of tax shall be five per cent.

102 (2) Gross earnings derived from the first sale of the following
103 petroleum products within this state shall be exempt from tax: (A) Any
104 petroleum products sold for exportation from this state for sale or use
105 outside this state; (B) the product designated by the American Society
106 for Testing and Materials as "Specification for Heating Oil D396-69",
107 commonly known as number 2 heating oil, to be used exclusively for
108 heating purposes or to be used in a commercial fishing vessel, which
109 vessel qualifies for an exemption pursuant to section 12-412; (C)
110 kerosene, commonly known as number 1 oil, to be used exclusively for
111 heating purposes, provided delivery is of both number 1 and number 2
112 oil, and via a truck with a metered delivery ticket to a residential

113 dwelling or to a centrally metered system serving a group of
 114 residential dwellings; (D) the product identified as propane gas, to be
 115 used exclusively for heating purposes; (E) bunker fuel oil, intermediate
 116 fuel, marine diesel oil and marine gas oil to be used in any vessel
 117 having a displacement exceeding four thousand dead weight tons; (F)
 118 for any first sale occurring prior to January 1, 2000, propane gas to be
 119 used as a fuel for a motor vehicle; (G) for any first sale occurring on or
 120 after July 1, 2002, grade number 6 fuel oil, as defined in regulations
 121 adopted pursuant to section 16a-22c, to be used exclusively by a
 122 company which, in accordance with census data contained in the
 123 Standard Industrial Classification Manual, United States Office of
 124 Management and Budget, 1987 edition, is included in code
 125 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the
 126 North American Industrial Classification System United States
 127 Manual, United States Office of Management and Budget, 1997 edition;
 128 [or] (H) for any first sale occurring on or after July 1, 2002, number 2
 129 heating oil to be used exclusively in a vessel primarily engaged in
 130 interstate commerce, which vessel qualifies for an exemption under
 131 section 12-412; or (I) for any first sale occurring on or after October 1,
 132 2001, liquid fuel that possesses a fuel sulfur limit equal to or lesser than
 133 0.3 per cent sulfur by weight (dry basis).

134 (3) The rate of tax on gross earnings derived from the first sale of
 135 grade number 6 fuel oil, as defined in regulations adopted pursuant to
 136 section 16a-22c, to be used exclusively by a company which, in
 137 accordance with census data contained in the Standard Industrial
 138 Classification Manual, United States Office of Management and
 139 Budget, 1987 edition, is included in code classifications 2000 to 3999,
 140 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
 141 Classification System United States Manual, United States Office of
 142 Management and Budget, 1997 edition, or number 2 heating oil used
 143 exclusively in a vessel primarily engaged in interstate commerce,
 144 which vessel qualifies for an exemption under section 12-412 shall be:
 145 (A) Four per cent with respect to calendar quarters commencing on or
 146 after July 1, 1998, and prior to July 1, 1999; (B) three per cent with

147 respect to calendar quarters commencing on or after July 1, 1999, and
148 prior to July 1, 2000; (C) two per cent with respect to calendar quarters
149 commencing on or after July 1, 2000, and prior to July 1, 2001; and (D)
150 one per cent with respect to calendar quarters commencing on or after
151 July 1, 2001, and prior to July 1, 2002.

152 Sec. 8. Section 22a-174 of the general statutes is amended by adding
153 subsection (o) as follows:

154
155 (NEW) (o) The commissioner shall adopt regulations, in accordance
156 with the provisions of chapter 54, that specifically expedite the permit
157 procedures and timeline for modifications, including, but not limited
158 to, the installation of pollution control equipment and repowering of
159 Title IV sources that are affected units.

160 Sec. 9. Subsection (d) of section 16-50k of the general statutes is
161 repealed and the following is substituted in lieu thereof:

162 (d) This chapter shall apply to any facility described in subdivisions
163 (1) to (3), inclusive, of subsection (a) of section 16-50i, the construction
164 of which is commenced on or after April 1, 1972, and to any such
165 facility the construction of which is approved by a municipality that
166 has commenced the sale of bonds or bond anticipation notes on or
167 after April 1, 1972, the proceeds or part of the proceeds of which are to
168 finance such construction. This chapter shall apply to any facility
169 described in subdivision (4) of said subsection (a) of section 16-50i, the
170 construction of which is commenced on or after July 1, 1983, and to
171 any such facility the construction of which is approved by a
172 municipality that has commenced the sale of bonds or bond
173 anticipation notes on or after July 1, 1983, the proceeds or part of the
174 proceeds of which are to finance such construction. This chapter shall
175 apply to any facility described in subdivisions (5) and (6) of said
176 subsection, the construction of which is commenced on or after
177 October 1, 1977, and to any such facility the construction of which is
178 approved by a municipality that has commenced the sale of bonds or

179 bond anticipation notes on or after October 1, 1977, the proceeds or
180 part of the proceeds of which are to finance such construction. This
181 chapter shall apply to the modification of a facility described in
182 subdivisions (1) to (3), inclusive, of said subsection (a) for which
183 construction is commenced on or after April 1, 1972, modifications of a
184 facility described in subdivision (4) of said subsection (a) for which
185 construction is commenced on or after July 1, 1983, and modifications
186 of a facility described in subdivisions (5) and (6) of said subsection (a)
187 of section 16-50i, for which construction is commenced on or after
188 October 1, 1977, whenever such modification either alone or in
189 combination with existing or other proposed facility modifications
190 may, as determined by the council, have a substantial adverse
191 environmental effect. This chapter shall not apply to any matter over
192 which any agency, department or instrumentality of the federal
193 government has exclusive jurisdiction, or has jurisdiction concurrent
194 with that of the state and has exercised such jurisdiction, to the
195 exclusion of regulation of such matter by the state. Notwithstanding
196 the provisions of this chapter, this chapter does not apply to any
197 modification, including, but not limited to, the installation of pollution
198 control equipment or repowering, of any Title IV source that is an
199 affected unit, as defined in section 1 of this act, provided that such
200 modification shall be subject to the permit requirements established
201 pursuant to section 5 of this act.

202 Sec. 10. Section 12-81 of the general statutes is amended by adding
203 subdivision (76) and (77) as follows:

204 (NEW) (76) New machinery and equipment used directly in the
205 elimination or control of emissions by a Title IV source that is an
206 affected unit, as defined in section 1 of this act.

207 Sec. 11. Section 16-244c of the general statutes is amended by
208 adding subsection g as follows:

209 (NEW) (g) Notwithstanding any provision of the general statutes to
210 the contrary, no owner or operator of an affected unit, as defined in

211 section 1 of this act, may bid on default electric service when such
212 owner or operator is found to have violated on more than one occasion
213 the sulfur dioxide emissions standards, as established in section 22a-
214 174-19a of the Regulations of Connecticut State Agencies ,or the
215 nitrogen oxides emissions standards as established in section 22a-174-
216 22 of the Regulations of Connecticut State Agencies.

217 Sec. 12. (NEW) On January 1, 2002, and January 1 of each year
218 thereafter, the Department of Public Utility Control shall, in
219 accordance with section 11-4a of the general statutes, provide the
220 General Assembly with a report on the status of demand, supply, and
221 reserves of electric power available to the state, including a projection
222 of future demands, supply and reserves for each of the next five years,
223 as measured from the date of the report.

224 Sec. 13. The sum of ____ is appropriated from the General Fund, for
225 the fiscal year ending June 30, 2001, to the Department of
226 Environmental Protection for the purpose of providing grants-in-aid to
227 Title IV sources that are affected units to purchase liquid or gaseous
228 fuels that possess a fuel sulfur limit of equal to or less than 0.3 per cent
229 sulfur, by weight (dry basis).

230 Sec. 14. This act shall take effect from its passage.

Statement of Purpose:

To establish emission standards for certain power plants.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]